

Tab 105

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Date: 5/31/2002 7:18:20 PM
To: Chuck Duarte
CC: Mary E. Wherry; Deb King
Subject: awp pricing

Just as a side note, Dionne had heard that there has become increasing concern by the feds of what the states say is the actual estimated actual cost (AWP-%) of drugs. In regs we are suppose to be reimbursing by that EAC. Supposedly this has made it to one of the President's action items to further look into how each state is hitting that target. We would not actually know until we had a dispensing survey completed. Which would be a good thing to bring to the next session as a BDR. Or the other option is, CMS is conducting a review currently on eight states and is suppose to be releasing those results this year. I agree with reducing the reimbursement, heck in '86 when we raised it to 10% the feds told us then they didn't think we were in line with EAC.

